



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 22, 2003

H.R. 3036 **Department of Justice Appropriations Authorization Act,** **Fiscal Years 2004 through 2006**

As ordered reported by the House Committee on the Judiciary on September 30, 2003

SUMMARY

H.R. 3036 would authorize the appropriation of funds for fiscal years 2004 through 2006 for many programs and agencies in the Department of Justice (DOJ), including the Federal Bureau of Investigation, the Drug Enforcement Administration, the United States Attorneys, and the Bureau of Prisons. The bill also would authorize funding for a few programs through 2008. Assuming appropriation of the necessary amounts, CBO estimates that implementing H.R. 3036 would cost almost \$57 billion over the 2004-2008 period. Spending by the four agencies mentioned above would account for about \$38 billion of that total.

CBO also estimates that enacting H.R. 3036 would increase direct spending by \$225 million over the next five years and by \$450 million over the next 10 years by allowing DOJ to spend certain collections that are not available for spending under current law. H.R. 3036 would authorize DOJ to retain and spend 6 percent of federal civil debts that the agency seeks to recover on behalf of other federal agencies. Currently, DOJ may retain and use 3 percent of such funds. CBO estimates that this provision would increase direct spending by about \$45 million a year.

H.R. 3036 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would benefit state, local, and tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3036 is shown in the following table. The cost of this legislation falls within budget function 750 (administration of justice).

	By Fiscal Year, in Millions of Dollars					
	2003	2004	2005	2006	2007	2008
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law						
Budget Authority/Authorization Level ^{a, b}	16,320	25	0	0	0	0
Estimated Outlays	15,653	3,653	1,210	298	113	86
Proposed Changes						
Estimated Authorization Level	0	18,271	18,667	19,062	1,216	1,246
Estimated Outlays	0	13,778	17,105	18,844	4,913	2,310
Spending Under H.R. 3036						
Estimated Authorization Level	16,320	18,296	18,667	19,062	1,216	1,246
Estimated Outlays	15,653	17,431	18,315	19,142	5,026	2,396
CHANGES IN DIRECT SPENDING						
Estimated Budget Authority	45	45	45	45	45	45
Estimated Outlays	45	45	45	45	45	45

a. Appropriations for the programs that would be authorized by the bill summed to \$16.3 billion in fiscal year 2003. A full-year appropriation for 2004 for these programs has not yet been provided.

b. Current law authorizes the appropriation of \$25 million in 2004 for grants to improve analyses of DNA evidence.

BASIS OF ESTIMATE

CBO estimates that implementing H.R. 3036 would cost about \$57 billion over the next five years assuming appropriation of the necessary funds. We also estimate that enacting the bill would increase direct spending by \$45 million a year—or \$225 million over the next five years and \$450 million over the next 10 years.

Spending Subject to Appropriation

For this estimate, CBO assumes that the amounts specifically authorized by the bill will be appropriated near the start of each fiscal year and that spending will follow the historical spending rates for the authorized activities. We expect a few programs to spend additional funds more slowly than the historical rates because the bill would authorize substantial increases in funding, relative to the amounts appropriated for 2003.

For a few programs, such as the Edward Byrne Memorial Justice Assistance Grant program, H.R. 3036 would authorize a specific appropriation for 2004 and such sums as necessary for subsequent years. CBO estimated the necessary funding levels in future years by adjusting 2004 funding for anticipated inflation.

Under current law, the Antitrust Division of DOJ is authorized to collect premerger filing fees and spend such collections without further appropriation action. CBO assumes that the amounts authorized to be appropriated in H.R. 3036 for the Antitrust Division are in addition to this current spending authority.

Direct Spending

Under current law, DOJ seeks to collect civil debts owed to federal agencies and is authorized to retain 3 percent of such collections to cover its administrative costs. Most of these debts are related to fraud against the government, civil penalties, and defaulted loans. The agency has retained and spent an average of \$45 million annually in recent years. H.R. 3036 would authorize the agency to retain and spend 6 percent of funds collected. CBO estimates that, on average, DOJ would retain and spend an additional \$45 million annually under H.R. 3036. Because these funds would otherwise be returned to the Treasury, this authority would cause an increase in direct spending. CBO has no basis to estimate whether this additional spending would increase the collection of amounts owed to federal agencies.

Some of the debts that DOJ collects under current law stem from obligations of borrowers participating in federal credit programs. By authorizing DOJ to retain and spend additional funds from such collections, H.R. 3036 would modify the expected costs of existing loans and loan guarantees. The Federal Credit Reform Act requires that the costs of modifying loans and loan guarantees be recorded in the year the legislation authorizing such modifications is enacted. Under current law, however, DOJ is also authorized to recoup from the debtor its own collection costs. Based on information from DOJ, CBO expects that the net cost of modifying loan programs under the bill would not be significant.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 3036 contains no intergovernmental mandates as defined in UMRA. The bill would extend several matching grant programs for state, local, and tribal governments to enhance law enforcement and add new requirements to existing grant programs. Any costs to those governments would be incurred voluntarily as conditions of federal aid.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

This bill contains no new private-sector mandates as defined in UMRA.

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